

Message Text

SECRET

PAGE 01 CAIRO 12028 01 OF 02 071756Z

46

ACTION SS-25

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----- 012109

O 071645Z SEP 76
FM AMEMBASSY CAIRO
TO SECSTATE WASHDC IMMEDIATE 6805
INFO AMEMBASSY TEL AVIV IMMEDIATE

S E C R E T SECTION 1 OF 2 CAIRO 12028

EXDIS

DEPT PASS SECRETARY FROM CHARGE

E.O. 11652: GDS
TAGS: PFOR, US, IS, EG
SUBJECT: ISRAELI HARASSMENT OF AMOCO IN GULF OF SUEZ

REF: STATE 220759 (TOSEC 260149)

SUMMARY: IN ACCORDANCE WITH INSTRUCTIONS IN PARAS 8 AND 9 REFTEL I DISCUSSED US POSITION AND ACTIONS CONCERNING ISRAELI HARASSMENT OF AMOCO IN GULF OF SUEZ WITH ROSS CRAIG, AMOCO EGYPT MANAGER, AND WITH MINPET HILAL ON SEPTEMBER 7. I EMPHASIZED TO BOTH HILAL AND CRAIG THAT USG WAS EXERTING EFFORTS TO ASSERT RIGHT OF AMERICAN COMPANY TO DRILL IN AN AMERICAN CONCESSION, AND THAT WE WERE SEEKING A PRACTICAL RESOLUTION OF THIS PROBLEM. BOTH WERE APPRECIATIVE OF OUR CONTINUING EFFORTS TO RESOLVE PROBLEM ON PRACTICAL BASIS AND AWAIT OUR FURTHER CLARIFICATION OF ISRAELI INTENTIONS. NEITHER HAS ANY PRESENT PLAN TO SEND MARINER BACK TO 304.1 SITE, THOUGH BOTH ARE CONSIDERABLY EXERCISED OVER ISRAELI ACTIONS. END SUMMARY.

1. AMBASSADOR EILTS HAVING DEPARTED ON HOME LEAVE SEPTEMBER 5, I ASKED ROSS CRAIG OF AMOCO TO COME TO THE EMBASSY TO DISCUSS CURRENT SITUATION. I

SECRET

SECRET

PAGE 02 CAIRO 12028 01 OF 02 071756Z

INFORMED HIM THAT WE ARE CONTINUING TO PURSUE THE

MATTER WITH ISRAELIS AND THAT WE WILL KEEP HIM INFORMED OF ISRAELI POSITION. I REITERATED THAT WE BELIEVED DECISIONS ABOUT THE DRILLING IS UP TO AMOCO TO MAKE, BUT AS OF NOW WE WOULD HAVE TO ASSUME THAT FURTHER ATTEMPTS BY MARINER TO DRILL IN SITE 304.1 WOULD ENCOUNTER ISRAELI INTERFERENCE.

2. CRAIG SAID THAT RIG WOULD NOT BE MOVED BACK TO 304.1 WITHOUT CLEARER INDICATION OF ISRAELI INTENTIONS. HE SAID THAT AMOCO CHICAGO OFFICE HAD RECEIVED IMPRESSION FROM DEPARTMENT THAT ISRAELI STATEMENTS ABOUT NOT HARASSING MARINER MEANT THAT ISRAELI GUN BOATS WOULD NOT BE PRESENT WHEN IT RETURNED TO THE SITE. HE SAID THAT ISRAELI ACTIONS WHEN MARINER HAD RETURNED CLEARLY CONSTITUTED HARASSMENT AND THEIR FURTHER ACTIONS IN SINKING AND REMOVING BOOYS SEEMED TO INDICATE A CONTINUED INTENT TO PREVENT ANY DRILLING.

3. REGARDING LOSS OF THE CONCESSION AREA BECAUSE OF FACT THAT WELL WILL NOT BE DRILLED BY SEPTEMBER 21, CRAIG SAID IF AMOCO HAS TO LOSE THE AREA, IT WILL LOSE IT, THOUGH THIS WOULD BE COSTLY. (FYI: CRAIG CONFIRMED THAT AREA IS PART OF 1964 CONCESSION. HE DID INDICATE THAT EVEN SOME PARTS OF THAT 1964 CONCESSION ARE RECOGNIZED BY EGYPTIANS AS NOT BEING ACCESSIBLE TO AMOCO BECAUSE OF ISRAELI OCCUPATION OF SINAI. CURIOUSLY, EVEN THOUGH BLOCK 304 LIES TO EAST OF MEDIAN LINE, IT NEVERTHELESS IS AND HAS ALWAYS BEEN COUNTED AS AVAILABLE FOR EXPLORATORY WORK; HENCE DEADLINE OF SEPTEMBER 21. CRAIG TOLD EMBOFF AFTER OUR CONVERSATION THAT ONE WAY TO AVOID LOSING CONCESSION AREA MIGHT BE TO TRY TO NEGOTIATE WITH MINISTRY OF PETROLEUM TO REMOVE BLOCK 304 FROM AREA AVAILABLE FOR EXPLORATION. THIS WOULD, OF COURSE, BE POSSIBLE IF EGYPTIANS WILLING TO MAKE NECESSARY AMENDMENTS TO CONCESSION AGREEMENT. END FYI).

4. CRAIG THEN WENT ON TO EXPLAIN THAT HE HAS SENT INVESTIGATOR TO RAS SHUKAIR TO GET EYE-WITNESS SECRET

SECRET

PAGE 03 CAIRO 12028 01 OF 02 071756Z

REPORTS OF VARIOUS SHOOTING INCIDENTS OVER PAST FEW DAYS. THUS FAR HE SAID HE COULD CONFIRM THAT THERE ARE NO MARKER BUOYS OR LOCATION BUOYS LEFT AT SITE 304.1. ISRAELIS HAVE REMOVED OR SUNK THEM ALL. THIS WAS CONFIRMED BY EVELYN TIDE, AMERICAN FLAG VESSEL WHICH WAS SENT TO SITE ON SEPTEMBER 6. EVELYN TIDE NOTICED ISRAELI PATROL BOAT APPROACHING RAPIDLY AND DEPARTED WESTWARD BEFORE MAKING CONTACT.

CRAIG CONFIRMED INCIDENT MENTIONED TEL AVIV 6110 (JUST RECEIVED), NOTING THAT FLOOD TIDE WAS ANCHORED APPROXIMATELY 250 YARDS SOUTHEAST OF RAMADAN PLATFORM NUMBER 4, WHICH ITSELF IS EAST OF EDIAN LINE. FLOOD TIDE WAS APPARENTLY MAKING ROUTINE SUPPLY RUN TO THIS ALREADY ESTABLISHED PLATFORM IN RAMADAN FIELD, WHICH RAISES QUESTION AS TO WHETHER ISRAELI INTENTION IS TO HARASS EXISTING FACILITIES IN RAMADAN FIELD WHICH ARE ALSO EAST OF MEDIAN LINE. CRAIG ALSO READ FROM TELEGRAM FROM RAS SHUKAIR WHICH SAID THAT THREE ISRAELI PATROL BOATS HAD BEEN SIGHTED MANEUVERING IN RAMADAN FIELD. REGARDING SINKING OF BOUYS AT PLATFORM 6, CRAIG SAID HE COULD NOT YET CONFIRM. THESE BOUYS MARK ANCHOR POSITIONS FOR SAFETY OF INTERNATIONAL SHIPPING. THEIR REMOVAL POSES THREAT TO SAFE PASSAGE OF SHIPPING.

NOTE BY OC/T: NOT PASSED THE SECRETARY

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PAGE 01 CAIRO 12028 02 OF 02 071805Z

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S E C R E T SECTION 2 OF 2 CAIRO 12028

EXDIS

5. I THEN CALLED ON MINISTER OF PETROLEUM HILAL AND TOLD HIM WE ARE CONTINUING TO PURSUE THIS MATTER WITH THE ISRAELIS. I STATED OUR POSITION THAT AMOCO MUST MAKE ITS OWN DECISIONS ON DRILLING, BUT THAT WE WOULD KEEP BOTH GOE AND AMOCO INFORMED OF ISRAELI POSITION. I SAID WE WERE ASSERTING WITH ISRAELIS THE RIGHT OF AMERICAN COMPANY TO DRILL IN ITS CONCESSION, AND WHILE I DID NOT WANT TO SUGGEST WHAT EGYPT SHOULD OR

SHOULD NOT DO, EGYPTIAN GUNBOAT PROTECTION OF AMOCO RIG WAS LIKELY TO TURN ISSUE INTO CONFRONTATION BETWEEN EGYPT AND ISRAEL, WHICH WOULD NOT ENHANCE CHANCES OF PRACTICAL SOLUTION. HILAL INDICATE D HE ALSO UNDERSTOOD THIS AND SIAD THAT HE HAD ASKED GAMASY TO ORDER GUN BOATS OUT OF THE AREA DURING SECOND AMOCO ATTEMPT SEPTEMBER 4, WHICH HAD BEEN DONE. HILAL AGREED THAT THESE LATEST INCIDENTS DID NOT SUGGEST THAT ISRAELIS WOULD BAK DOWN IN A CONFRONATATION.

6. HILAL THEN EXPLAINED SERIOUS CONSEQUENCES WHICH ISRAELI ACTIONS ARE HAVING FOR AMOCO IN TERMS OF LOSSES INCURRED FOR RIG AND FURTHER DEVELOPMENT OF PETROLEUM RESOURCES. ISRAELIES ARE DIRECTLY INJURING RIGHTS OF AN AMERICAN COMPANY BY THEIR ACTIONS. HILAL FURTHER INDICATED IMPORTANCE OF DEVELOPING RESOURCES IN GULF OF SUEZ FOR EGYPTIAN ECONOMY. I ASKED HILAL

SECRET

SECRET

PAGE 02 CAIRO 12028 02 OF 02 071805Z

IF DEVELOPMENT OF RESOURCES WAS OVERRIDING FACTOR AS OPPOSED TO SETTLEMENT OF EGYPT'S LEGAL CLAIMS TO GULF OF SUEZ. WHILE HILAL WAS NOT SPECIFIC, HE DID SAY THAT CERTAINLY FINDING WAY TO ALLOW RATIONAL DEVELOPMENT OF GUL OF SUEZ RESOURCES TO CONTINUE WAS EXTREMELY IMPORTANT TO GOE.

7. BOTH CRAIG AND HILAL MENTIONED THAT THERE WILL BE FURTHER DRILLING IN THE NEAR FUTURE AT OTHER SITES IN THE GERNAL AREA OF 304.1 AS PART OF AMOCO'S EFFORT TO DEVELOP RAMADAN FIELD ITSELF. SPECIFICALLY, THIS WORK WILL BE CARRIED OUT TO THE SOUTHEAST OF CURRENTLY EXISTING PLATFORM 4, WHICH ITSELF IS EAST OF GULF OF SUEZ MEDIAN LINE. WHILE NETIEHR COULD GIVE IDEA OF JUST WHEN THIS MIGHT TAKE PLACE (ABOUT A MONTH HILAL SAID) BOTH INDICATED IT IS IMPERATIVE THAT ATTEMPT BE MADE TO PLACE DRILLING PLATFORM AT OTHER PROMsing LOCATIONS SOON. (FYI: PLATFORM 4 WAS SITE OF A PREVIOUS INCIDENT IN MAY WHEN ISRAELIS ATTEMPTED TO PREVENT AMOCO FROM CHANGING RIGS AT THAT PLATFORM. AT THAT TIME, AMOCO MADE SECOND ATTEMPT AND WAS ABLE TO REPLACE THE RIG WITHOUT INTERFERENCE. END FYI.)

8. COMMENT: CONVERSATION WITH HILAL, WHO ADMITTEDLY HAS BEEN MODERATE IN THIS ISSUE FROM THE BEGINNING, WOULD INDICATE THAT EGYPTIANS COULD LIVE WITH SOME FORM OF WORKING ARRANGEMENTS IN WHICH LEGAL ASPECTS WERE NOT RESOLVED BUT DEVELOPMENT CNTINUED AS IN THE PAST. WE HAVE OT TRIED OUT THIS IDEA ON FAHMY

AND BASED ON PAST EXPERIENCE WOULD PROBABLY FIND HIM
LESS AMENABLE TO LEAVING ASIDE BASIC LEGAL
PRINCIPLES INVOLVED. I THINK IT BEST TO HOLD OFF
RAISING THIS IDEA WITH FAMHMY WUNTIL WE SEE WHETHER
IT IS A PRACTICAL POSSIBILITY WITH THE ISRAELIS.
MATTHEWS

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